

## § 3137.10

## 43 CFR Ch. II (10–1–06 Edition)

*Record title* means legal ownership of an oil and gas lease recorded in BLM's records.

*Tract* means land that may be included in an NPR-A oil and gas unit agreement and that may or may not be in a Federal lease.

*Unit agreement* means a BLM-approved agreement to cooperate in exploring, developing, operating and sharing in production of all or part of an oil or gas pool, field or like area, including at least one NPR-A lease, without regard to lease boundaries and ownership.

*Unit area* means all tracts committed to a BLM-approved unit. Tracts not committed to the unit, even though they may be within the external unit boundary, are not part of the unit area.

*Unit operations* are all activities associated with exploration, development drilling, and production operations the unit operator(s) conducts on committed tracts.

### GENERAL

#### § 3137.10 What benefits do I receive for entering into a unit agreement?

(a) Each individual tract committed to the unit agreement meets its full performance obligation if one or more tracts in the unit meets the development or production requirements;

(b) Production from a well that meets the productivity criteria (see § 3137.82 of this subpart) under the unit agreement extends the term of all NPR-A leases committed to the unit agreement as provided in § 3137.111 of this subpart;

(c) You may drill within the unit without regard to certain lease restrictions, such as lease boundaries within the unit and spacing offsets; and

(d) You may consolidate operations and permitting and reporting requirements.

### APPLICATION

#### § 3137.15 If the Federal lands constitute less than 10 percent of the lands in the proposed unit area, is the unit agreement subject to Federal regulations or approval?

If the Federal lands constitute less than 10 percent of the lands in the proposed unit area—

(a) You may use a unit agreement approved by the State and/or a native corporation;

(b) BLM will authorize commitment of the Federal lands to the unit if it determines that the unit agreement protects the public interest; or

(c) As unit operator you may ask BLM to approve and administer the unit. If BLM agrees to approve and administer the unit, you must follow, and BLM will administer, the regulations in this subpart and 43 CFR part 3160.

#### § 3137.20 Is there a standard unit agreement form?

There is no standard unit agreement form. BLM will accept any unit agreement format if it protects the public interest and includes the mandatory terms required in § 3137.21 of this subpart.

#### § 3137.21 What must I include in an NPR-A unit agreement?

(a) Your NPR-A unit agreement must include—

(1) A description of the unit area and any geologic and engineering factors upon which you are basing the area;

(2) Initial and continuing development obligations (see §§ 3137.40 and 3137.41 of this subpart);

(3) The proposed participating area size and proposed well locations (see § 3137.80(b) of this subpart);

(4) A provision that acknowledges BLM's authority to set or modify the quantity, rate, and location of development and production; and

(5) Any optional terms which are authorized in § 3137.50 of this subpart you choose to include in the unit agreement.

(b) You must include in the unit agreement any additional terms and conditions that result from consultation with BLM. After your initial application, BLM may request additional supporting documentation.

#### § 3137.22 What are the size and shape requirements for a unit area?

(a) The unit area must—

(1) Consist of tracts, each of which must be contiguous to at least one